

**Joint Conference Call Meeting of the
VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM
VERMONT STATE TEACHERS' RETIREMENT SYTEM
VERMONT PENSION INVESTMENT COMMITTEE**

Meeting of the Board of Trustees

May 24, 2011

VSRS members present:

Kevin Gaffney, Chairperson, VSEA Representative (term expiring September 1, 2011)
Paul White, Jr., VSEA Representative, term expiring September 1, 2012
Roger Dumas, Vice-Chairperson, VRSEA Representative, term expiring September 1, 2012
Kate Duffy, Commissioner of Human Resources, ex-officio
James Reardon, Commissioner of Finance & Management, ex-officio
Elizabeth Pearce, VT State Treasurer

VSRS members absent:

Jeff Briggs, VSEA Representative (term expiring September 1, 2012)
Richard Johannesen, Governor's Delegate, ex-officio

VSTRS members present:

Jon Harris, Chairperson (Active No. 25669), term expiring July 1, 2011
Joseph Mackey, Vice-Chairperson, VRTA representative, term expiring July 1, 2012
Thomas McConnell, Active Member Representative, term expiring July 1, 2013
Thomas Candon, representing Commissioner of BISHCA
Vaughn Altemus, representing Commissioner of Education
Elizabeth Pearce, VT State Treasurer

Also attending:

Thomas Hango, VSEA Alternate, term expiring September 1, 2011
Linda Deliduka, VRTA Alternate, term expiring July 1, 2012
Stephen Wisloski, Deputy VT State Treasurer
Cynthia Webster, Director of Retirement Policy and Outreach & Secretary to the Board
David Driscoll and Kai Petersen, Buck Consultants

The VSRS Chairperson, Kevin Gaffney, called the Tuesday, May 24th conference call meeting to order at 8:31 a.m..

The VSTRS Chairperson, Jon Harris, called the Tuesday, May 24th conference call meeting to order at 8:31 a.m.

The meeting was held in the Treasurer's Conference Room, Fourth Floor, 109 State Street, Montpelier, VT.

ITEM 1: **Discuss/act on Select-and-Ultimate investment assumption**

The boards discussed the advantages and disadvantages of using the Select and Ultimate method for determining the actuarial investment assumption. It was determined that this was a common

method used in the private sector, but was relatively new to the public sector defined benefit retirement systems. Mr. Driscoll and Mr. Petersen explained the value in moving to this method, and answered questions from respective board members.

On motion of Mr. White seconded by Mr. Dumas, the VSRS Board voted unanimously to accept the Select and Ultimate method as recommended by the actuary. The actuary confirmed the equivalent single rate for the State system will be 8.1% if the Select and Ultimate method is used.

On motion of Mr. Altemus seconded by Mr. McConnell, the VSTRS Board voted unanimously to accept the Select and Ultimate method as recommended by the actuary. The actuary confirmed the equivalent single rate for the Teachers' system will be 7.9% if the Select and Ultimate method is used.

ITEM 2: Any other business to be brought before the boards

None

On motion of Mr. Dumas seconded by Mr. White, the VSRS Board unanimously voted to adjourn at 9:15 a.m.

On motion of Mr. Altemus seconded by Mr. McConnell, the VSTRS Board unanimously voted to adjourn at 9:15 a.m.

Respectfully submitted,

Cynthia L. Webster, Secretary to the Boards